GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2159
ANSWERED ON:14.03.2008
ULIP
Bhargav Shri Girdhari Lal

Will the Minister of FINANCE be pleased to state:

(a) whether the LIC Agents are luring the existing unit linked insurance policy holders with a fraudulent promise o~200% return on a zero investment plan;

(b) if so, the detail 3 thereof;

(c) whether Government is aware that the agents are circulating the papers printed with LIC logo on this about the abo se policies;

(d) if so, the detail 5 thereof;

(e) whether the IRDA has repudiated these fraudulent claims of agents by issuing advisories in print media that returns on unit-linked insurance policies are not guaranteed; and

(f) if, so details the :eof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAW AN KUMAR BANSAL)

(a) to (d): The Insurance Regulatory and Development Authority (IRDA) has reported that it has received complaints against LIC agents for circulating leaflets projecting high returns on unit linked products. One of the leaflets projected an assumed growth rate of 20% on LIC`s Profit Plus Unit Linked Plan while arother leaflet showed annual growth of 25.5% on LIC`s Money Plus Plan. IRDA has also informed that it has received complaints against the agents for circulating unapproved sales literature with LIC logo on it promising high returns on unit linked products.

(e) & (f) : Yes, Sir. IRDA has informed that it has in a press release on l!l March, 2007 cautioned the public not to be carried away by such unapproved sales literature and take informed decisions on the basis of proper disclosures made by the representatives of insurers. Further, Life Insurance Corporation of India has also advertised in the newspapers that returns under the Unit linked products are not guatanteed.